

25X1A29

SUBJECT: Resume of Executive Committee's Report for the Year of
1948 - Gebrüder Sulzer, Aktiengesellschaft, Winterthur

CPYRGHT

contact: [REDACTED]

25X1A9a

1. "Our Foundry, factories and technical departments were completely employed due to the very high amount of orders in backlog from 1947, which could not be taken care of then, in that so decidedly high conjuncture years. The pressure of work in some departments was so high that delivery dates had to be put back. In other departments there was a little setback of delivery towards the end of the year. The migration of our labors did not come to a standstill, but decreased considerably.
2. "Incoming orders since the end of 1947 showed a retrograde trend, therefore, inquiries for new quotations were not as high as last year. As a consequence with such a large number of orders on hand at the beginning of this year, there was no easing of the very lengthy delivery period. We also have recognized a decidedly weakness in the conjuncture in the export market which also has been felt in the domestic market. New orders covering all of our commodities has thus been reduced to about one third compared to the unusual high amount of orders last year.
3. "In contrast to this the invoice amount has increased above the last year with about 10%. Inquiries received thus far in 1949 show a decline of about 5%, but the value of the orders is still considerably higher than that for the same period last year.
4. "The procurement of raw material has been improved but in several instances one has to cope with long delivery periods.
5. "Our serious concern is the fact that the difficulties in the export business do not originate in a sharpening competition; but can be traced to the constant and increasing deterioration of our country's commercial policy. The reason also is the distorted international exchange and in nearly every country the tendency is to curtail imports as much as possible and to promote exports. This applies to most of the countries with whom we have an important export business. The present difficulties in our export business illustrates what a great danger it is for Switzerland, which is so dependant upon exports, to carry on such a policy. It is hoped that the great American help through the Marshall Plan will succeed in improving international commerce. It is, however, too early to tell if the reaction of this tremendous experiment will also do our country some good.
6. "Wages and salaries had increased also in this year, but we believe they have reached their peak in view of the decreasing conjuncture and living expenses.

Diesel Engine Department

7. "The difference between quotations and new orders for export are especially great in this department. It has mostly dealt with large projects and thus

CONFIDENTIAL

Security Information

8 1953

~~CONFIDENTIAL~~
Security Information

CPYRGHT

- 2 -

the difficulties in obtaining import licenses has been very great. Many worthwhile orders have been lost due to not obtaining the necessary quotas. The department has in spite of this, partly through very troublesome barter business, obtained some new orders some of them being big orders for spare parts. Among the new orders are some for large shipsets and a large number of stationary engines. The domestic market had a setback. Orders for Sulzer engines by our licensee have been very good.

8. "The heating and ventilation department was very busy; even though the number of orders received last year was not reached. Again the hot water and air conditioning for industrial purposes is in the first line. Quite a number of radiation heaters was also ordered.
9. "The steampiant department has still a very great demand, even though hereto the export business has decreased, but unfilled orders from last year are still very high. Provisions have been made to increase the production for more rational fabrication.
10. "The same is true for the compressor-apparatus and pressure tank department which has and still is receiving enough orders from the domestic markets.
11. "The Refrigerating Department reached its peak last year, which cannot be matched this year due to the decrease in the export business. In spite of the difficulties one very large freezing plant was sold for export. Orders from the domestic market are still good, especially for fully automatically operated cooling plants. The delivery time for this equipment has been considerably improved.
12. "The Pump and Ventilation Department is still very overloaded with work, but orders have been decreased. Inquiries and the general outlook is, however, very satisfactory.
13. "The Foundry was very busy. However, in the department for custom molding a decrease of orders was noticed at the end of the year. Oberwinterthur is a newly installed precision foundry machine taken out of fabrication. The Gas Turbine Department was fully employed by construction work for the 20000 KW - winter power plant for Weinfelden and the completion of the 7000 PS - experimental plant for ships installation. The latter will be taken down from the experimental stand this fall, and all the trials hitherto done has been very satisfactory.
14. "Some very interesting orders have been received for radial and axial compressors for industrial purposes. The utility of our piston compressors was further broadened by developments, especially for the chemical industry and for complete oil free air and gas condensation.

~~CONFIDENTIAL~~
Security Information

~~CONFIDENTIAL~~
~~Security Information~~

CPYRGHT

- 3 -

15. "This year, again, income from our licenses has increased.
16. "Compagnie de Construction Mecanique Procèdes Sulzer in Paris could report a good business this year. The general meeting of the stockholders which only can decide about the distribution of the profit and loss account has not as yet taken place, but one may expect a higher dividend for last year.
17. "Sulzer Brothers (London) Ltd., was fully employed. A very nice result can be presented to the general meeting of the stockholders.
18. "Also, Societe Anonyme Chauffage Sulzer in Paris has had a good year. The executive committee will suggest to the general meeting of the stockholders that a higher dividend will be given.
19. "The Sulzer Centralheizungen G.m.b.H. in Stuttgart could under very difficult circumstances work for full capacity. We are not as yet notified about the result, but a transport from profit from the license should not, for the time being, be counted on.
20. "As mentioned in our last report, the general expenses are of a great concern and we still have to invest considerable amounts in buildings, replacements for more rational fabrication. Large amounts must also be placed for disposition for further developments of our products to be able to compete with the foremost in the world market. It is only to hope that this effort will not be paralyzed by the increasing difficulties of the commercial policies. As a conclusion, we are adding the following statement:

Balance:

'Real estate and factory building' Added FR.2518171.-depreciation FR.2518171.-

'Dwelling Houses' also this year have some dwelling houses been added, this item has been added with FR.534000.- at FR2400000.-

'Machinery and furnishing' added 3373880.- depreciation 2773880.-

'Stock and Goods in Process' - To secure a steady production this item has been considerably increased by about 21 million Francs over last year.

'Cash, bank deposits and bonds' - These items consist of cash, bank deposits and easy convertible bonds and bank notes."

~~CONFIDENTIAL~~
~~Security Information~~

25X1A2g

Provisional List of Sulzer Licensees

FRANCE:

Compagnie de Construction Mecanique
Procedes Sulzer
Paris

Forges et Chantiers de la Mediterranee, Paris
Factories in LeHavre, Marseille, La
Gyne.

Ateliers et Chantiers de la Loire, Paris
Factory in St. Denis

ENGLAND:

Sulzer Brothers Ltd., London
Factory in Leeds (only pumps)

Richardsons & Westgarth, Newcastle
(incorporating George Clark, Ltd.
North Eastern and Marine Engr. Co.)

Wallsend Shipyards, Wallsend-on-Tyne

Fairfield Engineering Company, Glasgow

Denny Brothers, Ltd., Dumbarton

John Brown, Wallsend-on-Tyne

Cannell Laird, Birkenhead

Hawthorn, Leslie, Ltd., Newcastle-on-Tyne

Alex. Stephen, Glasgow

ITALY:

Cantieri Riuniti dell 'Adriatico, Trieste

Odero Terni Orlando, Genova

SPAIN:

Sociedad Espanola de Construcccion Naval, Madrid/Bilbao

Babcock and Wilcox, Bilbao

Empresa Nacional Bazan, Madrid/Cartagena

Maquinista Terrestre y Maritima, Barcelona

HOLLAND:

Koninklijke Mij. de Schelck, Flushing

Werkspoor N.V., Amsterdam

NORWAY:

Navy Yard, Horten

Nylands, Oslo (spare parts)

~~CONFIDENTIAL~~
~~Security Information~~

~~CONFIDENTIAL~~
Security Information

CPYRGHT

- 2 -

<u>GERMANY:</u>	(ineffective agreements): Halberg, Ludwigshafen Schichan, Elbing
<u>SWEDEN:</u>	A. Johnson (Karlsbad Mechaniska Werkstad), Stockholm
<u>CHINA:</u>	Taikoo Dockyards, Hong Kong
<u>SOUTH AFRICA:</u>	Rice and Diethebe, Johannesburg (prompt only)
<u>BELGIUM:</u>	Soc. An. John Cockerill (Machine Works Seraing Shipyard Hoboken) (individual agreement for each engine)